

THE GOODYEAR TIRE & RUBBER COMPANY

OF CANADA, LIMITED

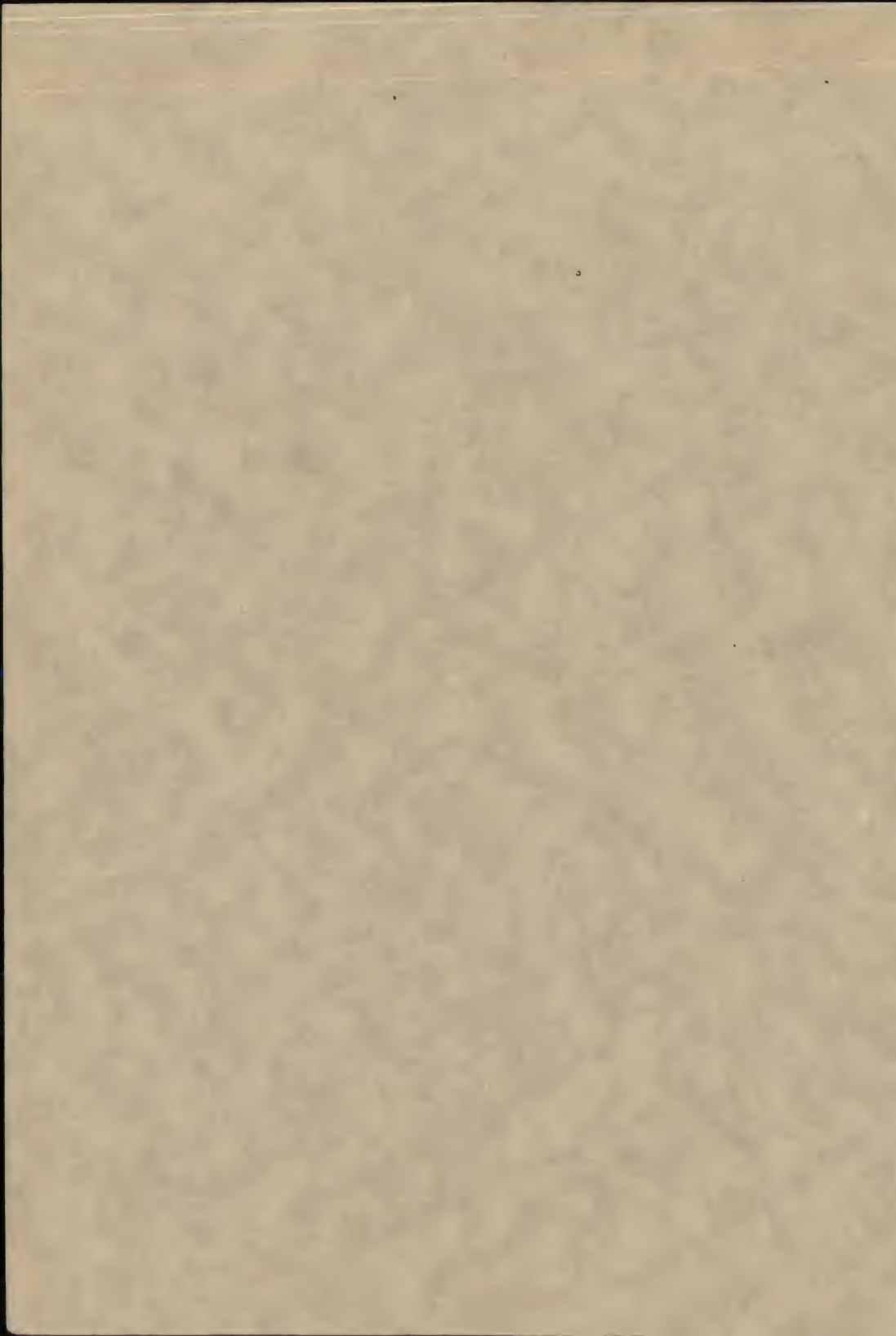
NEW TORONTO, CANADA

NOV 9 1925

GOODYEAR
MADE IN CANADA



ANNUAL REPORT
1925



ANNUAL REPORT

upon the Examination of the Books
and Accounts of

The Goodyear Tire & Rubber Company
of Canada, Limited

NEW TORONTO, - CANADA

By

Price, Waterhouse & Co.

Chartered Accountants

Toronto



THE GOODYEAR TIRE & RUBBER COMPANY
OF CANADA, LIMITED

General Offices: New Toronto, Canada

Factories: New Toronto and Bowmanville, Ontario



ANNUAL REPORT OF THE DIRECTORS OF

The Goodyear Tire & Rubber Company *of Canada, Limited*

Toronto, October 26th, 1925.

To The Shareholders:

The financial position of your Company, as of September 30th, 1925 and the results from operations for the past fiscal year are set out in the accompanying Audited Balance Sheet.

After providing for all manufacturing, selling and administrating expenses and income taxes, the profits for the year are \$1,462,852.25. Out of this amount we have set aside \$413,411.88 for depreciation of buildings, plant and equipment, leaving a net profit of \$1,049,440.37. The Export profits for the months of August and September have not been included in the above amounts. These profits are much in excess of the profits of the corresponding months of a year ago. The distribution of the profits for the year is as follows:

Addition to plant and equipment	\$453,080.01
Paid deferred dividends on Preferred Stock	157,500.00
Paid current dividends on Prior Preference and Preferred Stocks	521,988.00
Increased working capital	330,284.24

The Company has no indebtedness, except current bills not due for discount. It has a net working capital of \$5,205,-075.58 and a surplus of \$2,127,148.30.

The Company's profits for the year were \$211,705.95 in excess of the profits of the preceding year. Cash on hand, as of September 30th, was \$948,062.84.

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As compared with a year ago the statement shows a material reduction in cash with a corresponding increase in inventories and accounts receivable. This change is due to two causes: first—the material increase in the volume of business, second—the almost unprecedented increase in the price of crude rubber, which increase not only effects the stock of crude rubber on hand, but goods in process, finished stock and accounts receivable.

During the year we have written \$206,884.89 off our plant equipment. In addition to this we have a reserve account of \$2,120,957.78 to provide for depreciation of buildings, plant and equipment. We are carrying a reserve of \$70,383.75 for bad debts, and a special reserve of \$175,311.87. These reserves are more than adequate to cover any contingency that may arise.

The rubber market during our past fiscal year has been very unusual, prices have risen from in the neighborhood of about 27c. to high point of \$1.26 per pound, and at the close of the fiscal year crepe spot rubber was selling at 96c. per pound. Your Company is covered for quite some time on crude rubber at very much lower than the prevailing prices. Other provisions have been made to safeguard the Company against fluctuations in crude materials.

Our sales are so divided between Export and Domestic business that it permits a constant operation of the plant at its maximum capacity throughout the year. This has a material effect on reducing our overhead. For the past year the prices on Canadian rubber goods have been very disappointing. During most of the year tires were sold as low as or at a lower price than tires of the same kind and quality were being sold in the United States.

The Canadian rubber industry is in a more stabilized and promising condition to-day than it has been for some time. We see no reason why our present fiscal year's business should not be as profitable or more profitable than the year just closed.

Respectfully yours,

C. H. CARLISLE,

Vice-President and General Manager.

PRICE, WATERHOUSE & CO.

Chartered Accountants

Royal Bank Building,

Toronto, Canada

October 26th, 1925.

To the Shareholders of

THE GOODYEAR TIRE & RUBBER COMPANY OF CANADA, LIMITED

We have examined the books and accounts of The Goodyear Tire and Rubber Company of Canada, Limited for the year ending 30th September, 1925.

We have satisfied ourselves that all charges to Property Accounts are in respect of actual additions, and sufficient provision has been made for accruing depreciation. The stocks on hand have been taken and valued by the Company at prices not in excess of cost or market; the bad debt reserve is considered sufficient to provide for all doubtful accounts; the bank balances were confirmed by certificates, and we have taken all reasonable precautions to satisfy ourselves that all liabilities as at 30th September, 1925, are included in the Balance Sheet.

And we certify that the annexed Balance Sheet is drawn up so as to show the true financial position of the Company as of that date and the results from the operations for the year ending 30th September, 1925, according to the best of our information and the explanations given to us and as shown by the books of the Company.

PRICE, WATERHOUSE & CO.,
Auditors.

THE GOODYEAR TIRE & RUBBER

BALANCE SHEET

ASSETS

REAL ESTATE, BUILDINGS, PLANT, MACHINERY AND EQUIPMENT	\$7,660,972.02
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CURRENT AND WORKING ASSETS:

Inventories:

Stocks on hand—

Raw Materials

and Supplies	\$ 1,140,038.05
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Goods in process	340,545.10
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Finished Goods	2,136,134.27
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\$ 3,616,717.42

Accounts Receivable:

Customers	\$ 2,045,365.82
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Miscellaneous	231,086.63
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\$ 2,276,452.45

Less—Reserve for Bad

and Doubtful Accounts	70.383.75
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2,206,068.70

Cash:

In Banks	\$ 843,810.54
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On Hand and in transit from Branches	104,252.30
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948,062.84

6,770,848.96

DEFERRED CHARGES TO OPERATIONS:

Insurance, Taxes and Rent paid in advance	40,370.35
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\$14,472,191.33

COMPANY OF CANADA, LIMITED

SEPTEMBER 30th, 1925

LIABILITIES

CAPITAL STOCK:

Six per cent. Cumulative Prior Preference Stock:

Authorized—45,000 shares of \$100.00 each \$ 4,500,000.00

Issued 34,498 shares of \$100.00 each \$3,449,800.00

Seven per cent. Cumulative Preferred Stock:

Authorized—150,000 shares of \$100.00 each \$15,000,000.00

Issued 45,000 shares of \$100.00 each 4,500,000.00

Common Stock:

Authorized—150,000 shares of \$10.00 each \$ 1,500,000.00

Issued 53,320 shares of \$10.00 each 533,200.00

TOTAL CAPITAL

\$8,483,000.00

CURRENT LIABILITIES:

Accounts Payable \$ 1,035,540.13

Miscellaneous 399,736.25

Dividends on Prior Preference and Preferred Stocks payable October 1st, 1925 130,497.00

1,565,773.38

RESERVES:

For Depreciation of Buildings, Plant, Machinery, and Equipment \$ 2,120,957.78

For Contingencies 175,311.87

2,296,269.65

SURPLUS:

Balance at October 1st, 1924 \$ 1,757,195.93

Add—Profit for the year ending September 30th, 1925 before providing for depreciation but after deducting Income Tax \$1,462,852.25

Less—Reserve for Depreciation 413,411.88

Net Profits 1,049,440.37

Deduct—Dividends on Prior Preference and Preferred Stocks \$ 2,806,636.30

On account of arrears \$ 157,500.00

Current year's dividends 521,988.00 679,488.00

2,127,148.30

\$14,472,191.33

Note:—

Dividends on the seven per cent. Preferred Stock are in arrears to the amount of \$236,250.00.

BOARD OF DIRECTORS

E. G. WILMER
NEW YORK

C. H. CARLISLE
TORONTO

G. M. STADELMAN
AKRON

P. W. LITCHFIELD
AKRON

J. E. McALLISTER
TORONTO

P. A. THOMSON
MONTREAL

C. B. McNAUGHT
TORONTO

EXECUTIVE OFFICERS

E. G. WILMER
President

C. H. CARLISLE
Vice-President and General Manager

J. G. LANE
Treasurer and
Acting Comptroller

R. C. BERKINSHAW
Secretary

W. H. JEEVES
Assistant Treasurer

H. A. TIPPLE
Assistant Secretary and
Assistant Comptroller

B. W. LANG
Assistant Comptroller

H. C. LOWER
General Sales Manager

E. H. KOKEN
Factory Superintendent

GOODYEAR PRODUCTS

TIRES:—Automobile, Truck, Motorcycle, Bicycle, Carriage.

TUBES:—Automobile (laminated) Regular and Heavy Tourist
Motorcycle (Endless and Butt End), Bicycle.

ACCESSORIES:—For all Pneumatic Type Tires and Tubes,
Repair Fabric and Gum, Rims and Parts, Rubber
Cements, Tubing, Vulcanizers' Supplies.

BELTING:—Conveyor, Elevator, Transmission, Miscellaneous.

HOSE:—Garden, Pneumatic Tool, Steam, Radiator, Suction,
Miscellaneous.

PACKINGS AND SHEETINGS—Hydraulic, Piston, Good-
yearite, Asbestos Sheet Packing.

MISCELLANEOUS:—All kinds Rubber Mats and Matting,
Bumpers, Lathe Goods, Valves, Molded Goods of all
Descriptions, etc.

WINGFOOT RUBBER HEELS.

The Goodyear Tire & Rubber Company of Canada, Limited

General Offices: NEW TORONTO, ONT.

Factories: { BOWMANVILLE, ONT.
NEW TORONTO, ONT.

VANCOUVER, B.C.	. . . .	1004 Homer St.
CALGARY, ALTA.	. . . .	335 8th Ave. West
EDMONTON, ALTA.	. . . .	10229 105th St.
SASKATOON, SASK.	. . . .	118 3rd Avenue South
REGINA, SASK.	. . . .	Cor. Broad St. and 6th Ave.
WINNIPEG, MAN.	. . . .	97 Higgins Ave.
FORT WILLIAM, ONT.	. . . .	303 Simpson St.
LONDON, ONT.	. . . .	316 Dundas St.
HAMILTON, ONT.	. . . .	127 King St. West
TORONTO, ONT.	. . . .	152 Simcoe St.
OTTAWA, ONT..	. . . .	246 Queen St.
MONTREAL, QUE.	. . . .	318 St. James St.
QUEBEC, QUE.	. . . .	Cor. Crown and Fleury Sts.
ST. JOHN, N.B.	. . . .	83 Prince William St.
HALIFAX, N.S.	. . . .	84 Hollis Street

Wholesale Distributors at Victoria B.C., Lethbridge,
Alta., and Walkerville, Ont.

Over Four Thousand Canadian Retail Dealers
carry stocks of Goodyear Made-in-Canada
Automobile Tires.





